



Request for City Council Committee Action From the Department of Public Works

Date April 22, 2003

To: Honorable Sandra Colvin Roy, Chair, Transportation and Public Works Committee

Refer to: Honorable Barbara Johnson, Chair, Ways and Means Committee

Subject: Contract composting/disposal for leaves from Fall Sweeping, Street Sweepings and Composting/Disposal of Yardwastes and bundled brush.

Previous Directives:

Staff was directed to issue a Request for Proposals (RFP) for cost-effective and environmentally responsible disposal services so that uninterrupted Street Sweeping by the Division of Field Services and seasonal Yard Wastes collection by the Division of Solid Waste & Recycling could continue.

April 8, 2003, staff was directed to ask the proposers to clarify certain questions, and to provide the City with their best and final proposals.

Recommendation: That the appropriate City Officials be directed to enter into a contract with the City of Hutchinson for the composting/disposal of Fall Street-collected leaves and seasonal yard wastes, for a period from May, 2003 through December, 2007.

Prepared by: Michael Kennedy, Division of Field Services 673-3759

Susan Young, Division of Solid Waste and Recycling 673-2443

Approved: Klara A. Fabry, Director of Public Works, City Engineer

Presenters: Susan Young, Michael Kennedy

Financial Impact (Check those that apply)

☒ No financial impact (If checked, go directly to Background/Supporting Information)

☐ Financial resources are contained within the Solid Waste & Recycling, and Sewer Enterprise Funds.

☐ Action requires an appropriation increase to the Capital Budget

☐ Action requires an appropriation increase to the Operating Budget

☐ Action provides increased revenue for appropriation increase

☐ Action requires use of contingency or reserves

☐ Other financial impact (Explain):

☐ Request provided to the Budget Office when provided to the Committee Coordinator

Background/Supporting Information

The Division of Field Services conducts fall street-leaf collection and sweeping. The Division of Solid Waste and Recycling conducts seasonal yard wastes collections. The Divisions cooperated on a Joint Request For Proposals (RFP) for composting/disposal of these similar materials, to achieve efficiency in the procurement process and to obtain most competitive proposals. Two proposals were received, a joint proposal from the City of Hutchinson and Oak Creek Resources, and a proposal from NRG Processing Solutions (NRGPS). As a result of Committee discussions on April 8, additional technical information and "best and final" price information was requested from both Proposers. The cost information for the proposals and a comparison of key criteria is contained in the Appendix.

There is a concern by City staff that the North Transfer Station may not be able to handle both the Fall Leaf stream from Field Operations, and the heavy Fall stream from Solid Waste and Recycling, resulting in long delivery delays by City trucks which would adversely affect City sweeping costs. The City of Hutchinson does not believe that a problem will exist. Guarantees similar to the provisions for City deliveries in the HERC contract, but with specific monetary penalties, will be included in a contract. There is a concern by the City that economic assumptions by the City of Hutchinson may be optimistic. The City of Hutchinson is confident that their economic assumptions are valid. Standard City contracts provide performance and payment bond protections for the City.

It is anticipated that a discussion of the long-range plans of the City for both the North and South Transfer Stations will occur between now and June 2003. Use of the North Transfer Station for this contract period will not preclude other long term City uses for the site and will allow effective use of this City asset in the interim.

The City also wishes to further discuss and evaluate the Alternative for street sweepings proposed by Hutchinson. This proposal for "recycling" sweepings is a completely new way of doing business and requires further study due to its complexity. It is unknown at this time if the end product would be a suitable or equal product for use as winter sand for snow and ice control. We would like to discuss with Hutchinson a pilot program to test the feasibility of recycling our street sweepings. At this time, there are too many unknowns to enter into a long-term contract.

Staff recommends that a contract for composting/disposal of Fall Leaves and for composting/disposal of Yard Wastes and bundled brush be negotiated with the City of Hutchinson, for the period May 2003 – December 2007.

Appendix: Summary of Comparisons

**APPENDIX
SUMMARY OF COMPARRISON
FALL LEAF AND YARD WASTE PROPOSALS
APRIL 16, 2003 REVISED PROPOSALS**

I. FALL LEAVES, FIELD OPERATIONS

<u>CRITERIA</u>	<u>"HUTCHINSON"</u>	<u>"NRGPS"</u>
Disposal/End use	Compost	Compost
Drop off location	North Transfer Station	Malcolm Facility
Loading conditions	Drop off at Transfer Station by City crews, handling and transfer by Hutchinson	Drop off at Transfer Station by City crews, loading and transfer by NRGPS
Compost/disposal cost	\$15.97/ton	\$20.00/ton
CPI adjustment/year	None for initial contract	None
Fuel surcharge	Contingent on NRGPS Submittal, assume none	
TOTAL for FALL LEAVES	\$15.97/ton	\$20.00/ton
Est. Average annual expenditure: \$164,500		\$206,000

There is a concern by City staff that the North Transfer Station may not be adequately sized to accommodate both the Fall leaf stream from Field Services, and the heavy Fall stream from Solid Waste and Recycling. The large traffic volume of both City and Hutchinson trucks accessing the site simultaneously could result in long delays for City trucks that would adversely affect City costs. The City of Hutchinson does not believe that a problem will exist. Guarantees similar to the provisions for City deliveries in the H.E.R.C. contract, but with specific monetary penalties, will be included in a contract. There is a concern by the City that economic assumptions by the City of Hutchinson may be optimistic. The City of Hutchinson is confident that their economic assumptions are valid. Standard City contracts provide performance and payment bond protections for the City. Use of the North Transfer Station for this contract will not preclude other long term City uses for the site.

II. STREET SWEEPINGS, FIELD OPERATIONS

<u>CRITERIA</u>	<u>"HUTCHINSON"</u>	<u>"NRGPS"</u>
<u>Alternative 1</u>		
Disposal/End Use	Disposal	Recycling/Compost
Drop off location	Hutchinson, Creekside Facility	Malcolm Facility
Loading conditions	Loading by City, transportation by City from City transfer site to be determined	Drop off, no further handling by City
City loading/transportation costs	\$18.00/ton	None
Disposal Cost	\$23.24/ton	\$37.00/ton
TOTAL for Alternative 1	\$41.24/ton	\$37.00/ton
Est. Average annual expenditure:	\$618,600	\$555,000
<u>Alternative 2</u>		
Disposal/End Use	Recycle/disposal	As above
Drop off location	Linden Yards	
Loading conditions		
City loading costs		
Recycling Cost		
TOTAL for Alternative 2	Unknown	\$37.00/ton (as above)

It is recommended that neither of these proposals be accepted. The City presently hauls sweepings to a landfill, with a "no-cost" tipping (disposal) fee where it is reused as daily landfill cover. Therefore, the only cost is loading and transport, which is approximately \$18.00/ton. However, the City wishes to further discuss and evaluate the Alternative 2 by Hutchinson. Alternative 2 is a completely new way of doing business and requires further study due to its complexity. At present, the Linden Yards is not suitable as a sweepings recycling site due to lack of space and supporting infrastructure (storm and sanitary sewer, and water) as well as neighborhood issues. It is unknown at this time if the end product would be a suitable or equal product for use as winter sand for snow and ice control. We would like to discuss with Hutchinson a pilot program to test the feasibility of recycling our street sweepings. At this time, there are too many unknowns to enter into a long term contract.

III. YARD WASTES AND BRUSH, SOLID WASTE AND RECYCLING

<u>CRITERIA</u>	<u>"HUTCHINSON"</u>	<u>"NRGPS"</u>
Disposal/end use	Compost, Heat and Energy	Compost
Drop Off location	City North Transfer Station	NRGPS Transfer Station at Malcolm Facility
Loading Conditions	Operation by Hutchinson	Operation by NRGPS
City Loading Costs	None	None
Composting Costs	\$31.00/ton	\$34.00/ton
TOTAL	\$31.00/ton	\$34.00/ton
Est. Average annual expenditure:	\$558,000	\$612,000
Compostable bag option:	Available, \$21.00/ton	Available, \$27.00/ton Pilot proposed, 1,000 bags Provided by NRGPS, cost of composting to be determined
	Contamination of 10% acceptable	Contamination of 15% acceptable
Organics composting available?	Yes	Yes
Voucher program available?	Yes, \$31.00/ton Also willing to provide neighborhood dropoff locations, 2X Spring, 3X Fall	Yes, \$34.00/ton
Finished Compost Available?	Yes \$6.50/yd City-sponsored Community Gardens will be provided 200 cubic yards of finished compost at no charge.	Yes \$6.50/yd

IV. LOG AND BRUSH PROGRAM

Available

No proposal

There is a concern by City staff that the North Transfer Station may not be adequately sized to accommodate both the Fall leaf stream from Field Services, and the heavy Fall stream from Solid Waste and Recycling. The large traffic volume of both City and Hutchinson trucks accessing the site simultaneously could result in long delays for City trucks that would adversely affect City costs. The City of Hutchinson does not believe that a problem will exist. Guarantees similar to the provisions for City deliveries in the H.E.R.C. contract, but with specific monetary penalties, will be included in a contract. There is a concern by the City that economic assumptions by the City of Hutchinson may be optimistic. The City of Hutchinson is confident that their economic assumptions are valid. Standard City contracts provide performance and payment bond protections for the City. Use of the North Transfer Station for this contract will not preclude other long term City uses for the site.